

# Daily Report

## China

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20 August 1987

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## United States & Canada

**Sino-U.S. Trade, Investment Law Session Ends**  
*OW192215 Beijing XINHUA Domestic Service in Chinese 1315 GMT 19 Aug 87*

[By reporters Yang Guojun and Zhang Yijun]

[Text] Beijing, 19 Aug (XINHUA) — The representatives attending the Sino-U.S. joint session on trade, investment, and economic law, which ended here this afternoon, shared the feeling that the 3-day session has promoted the mutual understanding of the two systems of trade, investment, and economic law and enhanced the friendship between the trade and legal circles of the two countries and will help develop their economic and trade relations as well as technological cooperation and exchange.

Vice Premier of the State Council Qiao Shi, State Councillors Chen Muhua and Zhang Jingfu, Vice chairmen of the NPC Standing Committee Rong Yiren and Peng Chong, and U.S. Ambassador to China Winston Lord were present at today's closing ceremony.

Closing speeches were made by U.S. Attorney General Edwin Meese and Chinese Minister of Justice Zou Yu.

Meese said: Through this session, the Chinese and American participants now have new friends, new knowledge, new opportunities to develop their relations, and ways to better implement the related laws.

He said: The decentralization of China's economy has grown markedly, while private economic activities are playing an increasingly important role in China's economy. People have noticed that in line with the new pattern of economic activities, China's legal system is generally characterized by flexibility and accommodation.

In addition, Meese said in his closing speech that both China and the United States have some important matters to address with respect to trade, investment, and economic law. He said that protectionism must be resisted, and the United States must continue to monitor its performance in technology transfer while further expanding technological exchange and making sure that bureaucratic inertia does not impede policy advances in this field. He added that American firms must do more preparatory work in order to be more successful in doing business with China. In his opinion, American lawyers should help familiarize these firms with Chinese laws.

He said that China should further improve its legal system and pay attention to the protection of intellectual property rights. He hoped that more Chinese lawyers, judges, and law students would visit the United States, and more American lawyers would set up offices in China.

In his closing speech, Zou Yu said: At this session Chinese and American lawyers, entrepreneurs, and senior government officials have made "fruitful" explorations of the legal issues related to the development of

the economic and trade relations and technological exchange and cooperation between the two countries. This has opened a new path for them to develop their trade and to promote the friendly exchange and cooperation between their legal circles.

The Chinese and American lawyers participating in the session said that they would make further efforts in the days to come to exchange their practical experience in legal affairs, consign and introduce investment projects to each other, cooperate in various kinds of legal services, and strengthen their exchange of reference books and materials, information, documents, and personnel.

They believed that cooperation and contacts between lawyers of the two countries would in promoting the regular exchange in other fields between the two countries [as received].

**Zhao Ziyang Confers With Meese**  
*OW191434 Beijing XINHUA in English 1411 GMT 19 Aug 87*

[Text] Beijing, August 19 (XINHUA)— Chinese Premier Zhao Ziyang said China will further strengthen the country's legal system, perfect legislative work, and consolidate judicial work to better serve socialist construction.

Zhao made this statement at a meeting this afternoon with U.S. Attorney General Edwin Meese.

"To strengthen China's legal system is an important aspect of the country's political reform," the Chinese premier said, "and since China is a developing country with a comparatively backward economy and culture, the perfection of its legal system needs time."

Commenting on Sino-U.S. economic and trade relations, Zhao said, "economic and trade relations between China and the U.S. have made big strides in recent years, and we are pleased with this."

"The potential for the development of Sino-U.S. economic and trade relations is big," Zhao noted, "but economic and trade relations between the two countries have still not reached the level they should have, and this level is not compatible with other relations between the biggest developed country and the biggest developing country."

"Only if more Chinese commodities can enter the U.S. market, will China have the financial ability to import more U.S. products," the Chinese premier explained.

In developing Sino-U.S. economic and trade relations, it must be noted Chinese commodities occupy only a small part of all commodities imported by the U.S., Zhao said.

Zhao said, China has a positive attitude towards the development of Sino-U.S. economic and trade relations, and he hopes the two countries will both try to further relations in economics and trade.

Speaking on the domestic situation, the Chinese premier said, China's economy is developing in a healthy way, the country is getting better with each passing day, and China's reforms and open policy will not change.

Meese arrived in Beijing August 12 on an official visit and attended the China-U.S. Joint Session on Trade, Investment and Economic Law which ended today.

Through the symposium, the U.S. participants have learned about the development of China's legal system and its unchanged open policy and reforms, thus enhancing their confidence in developing bilateral relations, the attorney general said.

U.S. Ambassador to China Winston Lord was also present at the meeting.

**Chen Muhua Meets Chinese-American Group**  
*OW190738 Beijing XINHUA in English*  
*0717 GMT 19 Aug 87*

[Text] Beijing, August 19 (XINHUA) — Chen Muhua, Chinese state councillor and governor of the People's Bank of China, met here today a delegation of famous Chinese-American women led by Anna Chennault and Lily K. Lai.

### Soviet Union

**Sino-Soviet Border Talks Termed 'Cordial'**  
*HK191108 Hong Kong AFP in English*  
*1103 GMT 19 Aug 87*

[By Patrick Lescot]

[Text] Beijing, Aug 19 (AFP) — The latest round of Sino-Soviet border negotiations were cordial, but the two sides agreed that a third round of talks was necessary, a Soviet diplomatic source said here Wednesday.

The talks, which opened here August 7, officially ended Tuesday, the source added.

However, a Chinese Foreign Ministry spokesman said that the two sides are due to hold further informal talks on the issue before the Soviet delegation, led by deputy foreign minister Igor Rogachev, leaves for Moscow Friday.

The two sides agreed that a third round of talks was necessary, at a date to be officially announced, a spokesman of the Soviet Embassy here said.

The spokesman described the talks as "good and cordial." He said there would probably be a press release at the end of the week, but there were no plans to release a joint communique on the latest talks.

Mr. Rogachev and his Chinese counterpart Qian Qichen focused on technical problems involved in demarcating the border near the Soviet town of Khabarovsk, where

the Heilongjiang and Wusulijiang rivers meet in the northeast Chinese province of Heilongjiang, a spokesman for the Soviet Embassy here said.

At the first round of talks in Moscow in February, delegations from the two countries agreed to first discuss their common border along the the eastern area of Mongolia, and in particular along the Heilongjiang and Wusulijiang Rivers.

Soviet leader Mikhail Gorbachev paved the way for a resumption of the border talks after a nine-year suspension by agreeing last year to a Chinese demand that the border in the Heilongjiang River area of Mongolia run along the middle of the river and not along the northern bank.

Border clashes left several hundred dead in the area in 1969.

The latest discussions focused on the technical problems of drawing a border near the town of Khavarovsk, where several strategic islands in the river have complicated the task of deciding where the central navigation channel should lie, informed sources said.

An informed East European source said that the islands of Tabarovk, Balchoi and Oussourivski had come under close scrutiny during the negotiations.

The source added that the Chinese side was "very honest and very reasonable" in the latest round of talks, "adding that "neither of the two sides expected swift results."

No details of the talks were given by the Chinese side, but on Monday the Foreign Minister Wu Xueqian told Mr. Rogachev that Beijing attached "great significance" to the settlement of the border dispute.

Beijing and Moscow agreed in February to re-examine the whole question of their border dispute, which dates back to territorial treaties signed by Czarist Russia and a weakened Chinese empire in the 19th century, under which Beijing ceded some 1.5 million square kilometres (600,000 square miles) of territory to Russia.

Beijing is not however claiming back all this land nor refuting the treaties.

**Foreign Ministry Announces New Moscow Envoy**  
*HK200915 Hong Kong AFP in English*  
*0909 GMT 20 Aug 87*

[Text] Beijing, Aug 20 (AFP) — China has appointed a specialist on eastern Europe, Yu Hongliang, as ambassador to the Soviet Union, a Chinese Foreign Ministry spokesman said Thursday.

Mr Yu, 60, a former ambassador to Poland and Rumania, will replace Li Zewang who has held the post since February 1985, the spokesman said. The spokesman said that Mr Yu had already served in Moscow as first and second secretary at the Chinese Embassy.



No reason was given for the change which was announced as China and the Soviet Union wound up a second round of talks here on their long-standing border dispute.

Soviet sources here said that a third round of talks on the dispute would be held at an unspecified date.

The first round of talks was held in Moscow in February, after a break of nine years which followed China's condemnation of the the Soviet invasion of Afghanistan.

**RENMIN RIBAO Views Soviet Reforms**  
*HK190957 Beijing RENMIN RIBAO in Chinese*  
17 Aug 87 p 7

[Article by Ding Yongning (0002 3057 1337): "What One Sees and Hears About the Reforms Being Carried out in the Soviet Union"]

[Excerpts] Invited by the Soviet Union Reporters' Association, a delegation of Chinese reporters recently visited the Soviet Union for 2 weeks. After having had numerous wide-ranging talks with the leading cadres and responsible persons in Soviet reform circles and visited a number of cities and rural areas in the Soviet Union, we deeply felt that the Soviet Union is really determined to carry out reform. Indeed, a variety of reforms have already been carried out gradually in the Soviet Union. The reforms being carried out in the Soviet Union have brought about positive changes to social and economic life in the Soviet Union. [passage omitted]

In the Soviet Union, people are not only enthusiastically talking about the reforms but are also enthusiastically carrying out the reforms with all their efforts. In the Georgian Soviet Socialist Republic, we visited a state cattle farm in Mo Ji Si [5459 0679 2448] Region, which began to implement the collective contract system in 1985. The state cattle farm has 30 workers and raises 14,000 head of cattle each year. And each year, the cattle farm can provide 3,200 tons of beef to the state. The state cattle farm has already been completely mechanized in its production. Since implementation of the collective contract system, the state cattle farm has achieved marked economic results. In 1986, the state cattle farm provided an additional 400 tons of beef to the state compared with 1985. In 1986, the state cattle farm also increased its own income by 3 million roubles. As a result, 75 percent of the income was retained as production funds for the state cattle farm and 25 percent of the income was spent on staff and workers' wages, as well as collective welfare at the state cattle farm. Today, the workers' wages have been greatly increased compared with prior to implementation of the collective contract system. The average income of a worker on the state cattle farm has now reached 400 roubles per month (Note: The average monthly income of a Soviet worker is 195 roubles). The incomes of leading cadres at the state cattle farm have also been linked with the farm's final production results. [passage omitted]

During our talks with the Soviet comrades, we found that all the Soviet comrades talked about the difficulties they had come across and the opposition they had met in

carrying out the reforms. The Soviet comrades stressed that to overcome the conservative ideology, the ossified concepts, the force of habit, and egalitarianism, and so on, which have existed for a long time among the cadres and the masses in the Soviet Union, is an extremely complicated process. For this reason, the Soviet Unions has paid more attention to simultaneously carrying out reform of the economic and political structures, and has repeatedly stressed that reform of the political structure will be able to promote reform of the economic structure.

The Soviet leader, Mr Mikhail Gorbachev, mentioned the principle of openness for the first time at the Plenary Session of the CPSU Central Committee convened in April 1985. Today, the Soviet Union has turned to regard the realization of the principle of openness as an important component part of realizing socialist democracy in the Soviet Union, and has stressed that "efforts must be made to enable implementation of the openness principle to become an absolutely effective system" and also "a criterion in state life." The Chairman of the Supreme Soviet of the USSR told us: Openness is the real nature of socialism and openness was first advocated by Lenin. However, openness has long been ignored in the Soviet Union and as a result, bureaucratism has caused great harm to the Soviet people. Now, the Soviet Union should overcome the influence of bureaucratism by implementing the principle of openness. The reform is a great undertaking concerning millions of Soviet people. [paragraph continues]

Therefore, in order to enable all the Soviet people to take part in the reform, the CPSU should do everything it can to enable all the people in the Soviet Union to really feel that they are the masters of their country.

While advocating the principle of openness, the CPSU Central Committee has emphatically stressed that implementation of the principle of openness and the democratization process must conform with the state law. At the Plenary Session of the CPSU Central Committee convened in January this year, Gorbachev pointed out: "True democracy does not exist above the state law or beyond the state law." Gorbachev also stressed: "Socialist democracy has nothing in common with 'doing whatever one likes,' 'being irresponsible,' and 'anarchism.'" The Soviet newspapers have also pointed out that democracy calls on people to be responsible and to obey discipline, instead of calling on people to be irresponsible and to disobey discipline.

In the process of the reform, the Soviet Union has paid particular attention to the cadres. The Plenary Session of the CPSU Central Committee convened in January this year explicitly pointed out that cadres' attitudes towards the reform and the actual actions of the cadres in the reform, should become an important criterion for judging the performance of cadres. We were told that up to the present, the Soviet Union has dismissed more than 60 cadres at ministerial level and replaced 35 to 40 percent of the cadres at republic and oblast level. In Moscow, one third of the Soviet cadres have already

been replaced because most of them have not been able to give their active support to the reform. In the meantime, the Soviet Union has also adopted a lot of measures to strengthen cadre training in order to meet the demands of the new situation.

Not long ago, the Plenary Session of the CPSU Central Committee convened in June this year passed the "Basic Principles and Measures for Carrying out Fundamental Reform of the Economic Structure," and the Presidium of the Supreme Soviet of the USSR also passed the "State Enterprise Law," which is aimed at restructuring the basic links in the Soviet Union's national economy. At present, the reform trend in the Soviet Union is pounding at a variety of obstacles to the reform, and this trend is rapidly expanding and advancing.

### Near East & South Asia

**PRC, Pakistan End Boundary Inspection Session**  
*OW201006 Beijing XINHUA in English 0936 GMT*  
20 Aug 87

[Text] Beijing, August 20 (XINHUA) — The two-day third meeting of the China-Pakistan Joint Boundary Inspection Committee ended here today.

During the meeting the two sides reviewed their work over the past 18 months and expressed satisfaction over the successful completion of the boundary inspection.

This afternoon, chief representative on the Chinese side Xu Guangjian, who is also deputy director of the Department of International Law and Treaties of the Chinese Foreign Ministry, and chief representative on the Pakistani side Karamatullah Khan Ghor, director general (East Asia and Pacific) of the Foreign Ministry of Pakistan, signed the minutes of the meeting and initialed a protocol on the first China-Pakistan joint boundary inspection and its attached maps.

### Sub-Saharan Africa

**Burundi Foreign Minister Arrives in Beijing**  
*OW191046 Beijing XINHUA in English*  
1038 GMT 19 Aug 87

[Text] Beijing, August 19 (XINHUA) — Egide Nkuriyingoma, minister of external relations and cooperation of Burundi, arrived here this afternoon on a goodwill working visit to China at the invitation of Chinese State Councillor and Foreign Minister Wu Xueqian.

**Holds Talks With Wu**  
*OW200818 Beijing XINHUA in English*  
0759 GMT 20 Aug 87

[Text] Beijing, August 20 (XINHUA) — Chinese State Councillor and Foreign Minister Wu Xueqian exchanged views with Burundi Minister of External Relations and Cooperation Egide Nkuriyingoma on international issues of common concern during their talks here this morning.

On the debt issue in Africa, Nkuriyingoma said that with prices of primary products on international markets gradually falling and those of industrial products rising, the African countries' economies are finding more difficulties all the time and they have no ability to pay back their debts.

He said Burundi hopes to discuss the problem with the developed countries and find a way to settle it.

Wu said China holds that creditor and debtor nations should hold negotiations on the issue so as to find a way to reasonably settle it.

China opposes the way that creditors force the debtor nations to pay back their debts and use the debt issue to exert political pressure on debtor nations or interfere in their internal affairs, Wu said.

On the contrary, Wu said, creditors should help debtor nations develop their national economies and raise their ability to pay.

He added that, of course, debtors also should take effective measures to develop their own countries' economies.

Referring to the present Gulf situation, Wu said China supports Resolution 598 for ceasing military conflicts in the Gulf and the Iran-Iraq war, approved by the United Nations Security Council not long ago, and also supports the mediating activities the U.N. secretary-general has engaged in.

"We are opposed to the present Gulf tension further deteriorating," he added.

The two ministers also exchanged views on bilateral relations and both of them said they were satisfied with the growth of such relations.

### West Europe

**PRC Leader To Make First Visit Since 1949**  
*AU191315 Paris AFP in English 1307 GMT 19 Aug 87*

[Text] Paris, Aug 19 (AFP) — Chinese President Li Xiannian is to pay official visits to France, Italy and Belgium, in November, diplomatic sources said here on Wednesday.

His visit here, the sources said, would be the first by a Chinese Head of State to France since the People's Republic was founded in 1949.

Mr. Li, 82, is considered to be one of China's main conservative leaders. He took office in 1983, when the presidency was re-established by the National People's Congress.

He is also one of five members of the Standing Committee of the Politburo, the highest authority of the Chinese Communist Party, but announced in July his intention to stand down at the 13th party congress, scheduled for October.

French President Francois Mitterrand visited China in 1983.

**French Defense Secretary Arrives in Beijing**  
*HK200810 Hong Kong AFP in English*  
0805 GMT 20 Aug 87

[Text] Beijing, Aug 20 (AFP) — French Secretary of State for Defence Jacques Boyon began a three-day official visit to China Thursday.

Mr Boyon, the most senior French defence official to visit China since the Communists came to power in 1949, was met at Beijing airport by armed forces Deputy Chief of General Staff He Qizong.

General He, 44, who made a name for himself during the 1979 Sino-Vietnamese conflict, is now charged with modernising China's armed forces, a French source said.

Mr Boyon's visit is designed to boost military cooperation between the two countries and fix the dates for a visit to China by French Defence Minister Andre Giraud, the source said.

Mr Boyon will also meet Chinese Defence Minister Zhang Aiping and Vice Foreign Minister Zhou Nan.

He will wind up his trip Saturday with a visit to the Chinese Third Infantry Division in the Beijing suburbs.

**Cyprus Party Delegation Arrives in Harbin**  
*SK200407 Harbin HEILONGJIANG RIBAO*  
in Chinese 7 Aug 87 p 1

[Text] A four-member Cyprus Socialist Party delegation headed by Takis Khatzidimitriou, general secretary of the Cyprus Socialist Party and chairman of the National Defense Committee under the Cyprus Parliament, arrived in Harbin City by plane on the afternoon of 6 August to pay a 4-day friendly visit to the province.

Greeting the delegation at the airport were Huang Feng, secretary general of the provincial party committee, and Wang Yaochen, director of the provincial Foreign Affairs Office. That evening Zhou Wenhua, deputy secretary of the provincial party committee, received and feted the Cyprus guests at the Huayuncun Guesthouse.

### East Europe

#### GDR-PRC Technical Cooperation Viewed

*OW192229 Beijing Domestic Service in Mandarin*  
0200 GMT 19 Aug 87

[From "International News and Current Events" program]

[Text] According to our reporter, GDR Deputy Minister for Science and Technology Herrmann told him in a recent interview that Democratic Germany entertains high hopes for promoting cooperation with China in science and technology. Herrmann said: We have made a giant stride in cooperation in science and technology over the past 3 and 1/2 years since such cooperation was resumed between the two countries. In the future, our cooperation will be more specific in accelerating the modernization of both countries.

Herrmann pointed out that both Democratic Germany and China emphasize development of high technologies. He spoke highly of China's achievements in developing new materials, laser technology, computer software, and bioengineering. He added that long-term cooperation between the two sides in science and technology should be geared to high technologies, for such cooperation is beneficial to the people of both countries.



**Textile Industry Ministry Hires Lawyers**  
*OW200736 Beijing XINHUA in English 0716 GMT*  
20 Aug 87

[Text] Beijing, August 20 (XINHUA) — The Ministry of Textile Industry has become the first Chinese Government organ to hire lawyers, since it engaged four lawyers from the China Law Center earlier this month.

Today's "People's Daily" reported that Wu Wenying, minister of textile industry, said law should be referred to in modern scientific management.

She said that many Chinese cadres are used to working by giving administrative orders, instead of referring to economic regulations and legal procedures. Now as the economic reform is going on further, and to meet the needs of the developing textile industry, law is gaining importance.

The paper said that since the lawyer system was revived in China in 1979, there are some 30,000 lawyers and people engaged in legal work. And some 40,000 enterprises have appointed lawyers to be their legal advisers.

**Crackdown on Speculation Continues in Beijing**  
*OW200643 Beijing XINHUA in English 0548 GMT*  
20 Aug 87

[Text] Beijing, August 20 (XINHUA) — A group of women shopping in an east Beijing state-owned grocery store were puzzled when they saw a man buying 10 kilograms of eggs.

After thinking over what they had seen, the shoppers went directly to a local market administrative center to report the incident. Market administrators went to the shop and discovered the buyer was a speculator and the salesman was his "contact." The eggs were confiscated and the shop was fined.

In Beijing, residents can buy a limited amount of eggs from the state-owned grocery stores every month at a much lower price than those on the free market.

Speculators, through their "contacts" who work in the stores, buy up goods on which there is a state monopoly of purchase and marketing, and resell the items at several times the fixed price.

Reports and complaints against speculators have been pouring into local market administrations, newspapers and police stations from customers and individual licensees over the past month, supporting the government's efforts to crackdown speculation, stop price-hiking and ban business without license.

Vice-Mayor Sun Fulin, with a group of officials and customer representatives, has been inspecting shops, grocery stores, vendors, and free markets all over the city during the past week to keep the crackdown going. started in July, the citywide crackdown is going to last until September.

"This campaign is very popular among citizens," Sun said, "especially individual business people and customers who have suffered a lot from speculation."

Zhang Guanghua, a vendor who makes his living by selling cakes, pies and cookies with materials supplied by the state, described speculators as "black sheep," and said "these individuals have given law-abiding business people a bad name."

Wang Changzai, chairman of the Municipal Association of Individual Businessmen and an enthusiastic supporter of the campaign, said his association has formed small teams to patrol the streets to help the government fight speculation.

Wang said he is happy the crackdown has not hindered the increase of individual licensees, and of the 160,000 individual business people in Beijing, over 2,000 applied for licenses during July's crackdown.

**Shortages Continue as Retail Sales Climb**  
*HK200402 Beijing CHINA DAILY in English*  
20 Aug 87 p 2

[By staff reporter Tian Ying]

[Text] Despite a retail sales increase in the first half of this year, there are still problems involving supplies and prices that have hampered the growth of domestic sales.

The State Statistics Bureau revealed that the total value of retail sales in January to June this year reached 276.2 billion yuan, up 17.5 percent over the same 1986 period.

However, people's purchasing power has not been fully used. An inadequate supply of goods, which has long been a problem on domestic markets, still exists, the Statistics Bureau said.

According to a study of 133 products handled by departments of the Ministry of Commerce, sales of 82 products increased between January and June this year. But State purchases of 67 products dropped by 5 to 49 percent at the same time. The products included cigarettes, cloth, cotton knitwear, polyamide socks, rubber shoes, matches, detergent, watches, fine paper, aluminium, enamel, glass and plastic products.

Supplies of new-style and quality commodities were limited, and at the same time out-of-date and low-quality commodities sold slowly and were held in large stocks.

For instance, about 62 percent of television buyers and 70 percent of refrigerator buyers prefer colour TV and double-door refrigerators. But production of colour TV sets accounted for only 33 percent of the total TV output, and production of double-door refrigerators accounted for only 48 percent in that sector in the first half of this year.

Retail goods prices rises have also caused problems on domestic markets.



Retail prices increased 6.2 percent over the first six months of last year, exceeding the rate set by the State. Price increases mainly involved foodstuffs and commodities for daily use.

The price increases cause panic purchasing in Liaoning, Jiangsu, Sichuan and Shaanxi Provinces and Shanghai. Grain, sugar, salt, matches, soap, washing powder, cotton cloth and knitwear sold particularly quickly, the Statistics Bureau said.

Pork was in short supply in some areas between January and June. The country's pork production dropped 1.8 percent in the first six months of this year. The number of hogs and stock dropped by a big margin, in some areas by 20 to 30 percent.

The State purchase of hogs declined 5.1 percent compared with the first half of last year, but sales of pork increased by 12 percent at the same time.

The smaller State purchase and larger retail sales have reduced pork supplies. The country's pork stock at the end of June was only enough for a two-month-and-10-day supply to the domestic market. Pork stock at the end of June last year was capable of supplying the market for more than three months, the Statistics Bureau said.

**Exhibit of Shoddy Products Shakes Producers**  
*OW200730 Beijing XINHUA in English 0631 GMT*  
20 Aug 87

[Text] Beijing, August 20 (XINHUA) — The announcement of a planned exhibition of shoddy or inferior light industrial products has made many producers hunt for reactions and opinions about their products from consumers in the past few days.

The Chinese Ministry of Light Industry announced on August 11 a decision to hold a special exhibition later this year of poor-quality products to be directly collected from consumers.

The exhibits will include substandard refrigerators, electric fans, washing machines, bicycles, clocks, suitcases, wristwatches, electric ovens and electric blankets produced by state-owned, collective, rural and Sino-foreign enterprises.

In the past few days, the offices of the ministry's Management Bureau of Household Electrical Products and Quality Supervision and Control Committee have been jammed with enterprise representatives there to collect consumers' opinions or complaints.

And for about a week, the Light Industry Ministry has been bombarded with telephone calls of complaint from consumers.

An official from the ministry said the telephone number 867854 which has been reserved for receiving complaints has become the busiest line. By this afternoon, the ministry's Quality Supervision and Control Committee had received more than 230 letters and 270 calls of complaint.

Some producers made no hesitation to send people to consumers' homes to repair their poor-quality products after they got complaints, the official said.

So far, the Wuxi washing machine plant, Tianjin bicycle plant, Tianjin No 2 bicycle plant and Shuhou Great Wall Electric Fan Company have already worked out measures to improve their after-sales services, according to the light industry ministry.

The exhibition, which was masterminded by Minister of Light Industry Zeng Xianlin, is aimed at improving the quality of products, safeguarding the interests of consumers and protecting the reputation of the state, according to Gong Zhaorong, deputy director of the ministry's Quality Supervision and Control Committee.

"With this exhibition, we hope to enable enterprise leaders to enhance their sense of quality, create social pressure on enterprises which turn out poor-quality products, and help leaders at all levels to better understand the gravity of the problem of product quality," Gong said.

According to the ministry's decision, the exhibits will be collected from consumers, who will be compensated or get replacements. The producers of these items will be invited to the exhibition as guides and will be required to buy back their products.

In more serious cases, the producers will receive a warning or a notice demanding forced overhaul of their enterprises. The producers will also bear all the costs for holding the exhibition.

**State Council Extends Tianjin Port Policy**  
*HK200844 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0648 GMT 19 Aug 87*

[Report: "The State Council Agrees To Extend by Another 4 Years the Special Policy of Allowing the Tianjin Port To 'Support the Port by Developing the Port'"]

[Text] Tianjin, 19 Aug (ZHONGGUO XINWEN SHE) — Port construction at the Tianjin port, the first in China to be delegated to local management, which is practicing a special policy of "supporting the port by developing the port," has progressed at a distinctively accelerated pace. The total volume of investment in capital construction over the last 3 years has exceeded that in the previous 8 years. Affirming the port's reform experience, the State Council agreed to extend by another 4 years the special policy of "supporting the port by developing the port," which was previously planned to be carried out by the Tianjin port for 3 years.

In 1984, the State Council decided to delegate the management power of the Tianjin port to Tianjin Municipality and agreed that the port practice a policy of "supporting the port by developing the port" and use its profits to carry out port construction and technological transformation and to develop production. The policy would not be changed in 3 years after it was adopted.

With the newly-delegated power and a flexible policy, the Tianjin port has become unprecedentedly invigorated. The port office discarded the traditional methods of management and delegated powers to its subordinate enterprises three times for 3 years in succession in more than 30 areas, such as purchase of production equipment, fund raising for capital construction projects, conducting of joint operations and cooperation with other countries, disposal of property, distribution, and personnel transfers. All these have enabled the enterprises to become relatively independent economic entities capable of carrying out their operations independently. On their part, the enterprises have implemented the contract managerial responsibility system level after level down, thus arousing the enthusiasm of all teams and groups and the individuals as well. In the 3 years of reform, the port's handling capacity increased from 15 million metric tons or so a year to some 18 million metric tons, realized profits were up 13.9 percent every year, and there was relaxation of the phenomenon in which loading and unloading of ships were delayed and goods were piled up awaiting transshipment. The average time ships were held up in the port was shortened from 6.5 to 4.7 days.

With its profits increasing, the port's capital construction funds are basically ensured. The delegation of powers to lower levels and the implementation of the policy of allowing those who build a port to benefit from it have accelerated the construction of development projects. According to statistics, the Tianjin port's investment in capital construction in the last 3 years totaled 660 million yuan or more, equivalent to the aggregate investment in the previous 8 years. In addition to the former projects, such as the container berth and the passenger ferry, which have been available for use, another three container berths are under construction; the port zone has 14 newly-added operation lines; nearly half of the old, worn-out loading and unloading equipment has been renewed and transformed; and various enterprises have imported a batch of computerized information management systems one after another, thus raising the port's management level remarkably.

The Tianjin port is now moving to the direction of becoming an international major port with multiple functions. By the end of this century, the port will have had 70 deepwater berths and a handling capacity of 52 million metric tons a year.

**Foreign, Local Funds To Boost Metal Industry**  
HK200350 Beijing CHINA DAILY in English  
20 Aug 87 p 1

[by staff reporter Xie Songxin]

[Text] China's iron and steel industry is to use more foreign capital and more money raised by local governments and individual factories to boost production.

This will cut demands on the restricted financial resources of the central government and save money being spent on imports.

Mu Xuemo, a spokesman for the Ministry of Metallurgical Industry told a press conference yesterday that China would use a full range of financial instruments to raise capital and will issue special bonds, if possible, on international financial markets.

The industry plans to update 462 production lines by 1990. About 40 percent of the country's 56 key iron and steel manufacturers' products will then be made to international standards.

The State Planning Commission has already said Laiwu Iron and Steel Plant in Shandong Province, Meishan Metallurgical Corporation in Shanghai, Wuhan Iron and Steel Works in Hubei Province and Anshan Iron and Steel Works in Liaoning Province may use overseas money. Feasibility studies are due to be completed early next year, Mu said.

After completion of the four projects, expected in 1993, they will increase China's production of hot-rolled and cold-rolled steel plates, silicon steel, wide and thick plates, shaped steel, tubes and other varieties by more than five million tons a year. These products are scarce at present in China.

China has already signed agreements with companies from the United States, Canada and Austria for the feasibility studies. It has asked the Asian Development Bank to provide aid for the Meishan study.

Meanwhile, the Anshan Iron and Steel Works, China's largest iron and steel producer, plans to invest a total of 3.15 billion yuan (\$849 million) for technical updating in the Seventh Five-Year Plan (1986-90).

Only 570 million yuan (\$153 million) will be from the central government. The rest will be bank loans, funds raised by the factory and other sources.

The Wuhan Iron and Steel Works is also to invest 8.2 billion yuan (\$2.2 billion) to raise output to seven million tons each of iron and steel by 1993, compared with four million tons each at present.

Dong Yizhen, deputy director of the ministry's Policy, Research Department, said the central government's 40 billion yuan (\$10.7 billion) investment in the current five-year plan is insufficient for the development of the industry.

Projects constructed with foreign funds will be able to produce what China is now importing at a cost of more than \$10 billion annually.

**Achievements Noted in Traditional Medicine**  
OW191951 Beijing XINHUA in English 1434 GMT  
19 Aug 87

[Text] Beijing, August 19 (XINHUA) — Hu Ximing, head of China's State Pharmaceutical Administration just announced 13 clinical achievements in traditional Chinese medicine.

These achievements include new medicines and treatments for some common and frequent illnesses and also for some serious diseases such as myelitis, an inflammation of the spinal cord or bone marrow, ichthyosis, an hereditary skin disease, and chronic gastric problems.

"These new findings have been obtained through extensive clinic application and research using modern science and technology," Hu said, "and they have been

proven to be very effective, with some winning state and international prizes over the past two years."

Hu's announcement is part of an effort to encourage the development of traditional Chinese medicine, which the Chinese Government has now put on an equal level with Western medicine.

China now has 1,600 hospitals specializing in traditional Chinese medicine, which can house 128,000 patients.

### East Region

**Fujian's Chen Guangyi Speaks on Future Work**  
OW200025 Fuzhou Fujian Provincial Service in  
Mandarin 1000 GMT 18 Aug 87

[Excerpt] According to a report by our reporters Lin Xiaoling and Chen Li, the provincial party committee and government held a meeting in Fuzhou on the mornings of 17 and 18 August to hear provincial organs' reports on their progress in fulfilling various tasks. At the meeting, all localities and departments were requested to make further efforts, on the basis of what they had done to earnestly fulfill their tasks, to achieve fruitful results when greeting the 13th National Party Congress.

Eight units, namely the provincial Planning Commission, Political and Legal Commission, Economic Commission, Agricultural Commission, Science and Technology Commission, Foreign Economic Relations and Trade Commission, Construction Commission, and Fuzhou City, reported on their efforts in grasping their tasks, and in future planned work.

Cai Ninglin, member of the Standing Committee of the provincial party committee and vice governor, delivered a speech on combating bureaucracy.

Jia Qinglin, deputy secretary of the provincial party committee, spoke on the work of helping the poor.

Chen Guangyi, secretary of the provincial party committee summed up. He said: The provincial party committee has proposed that attention be paid to fulfilling our tasks during July, August, and September. This is important in preparing for the 13th National Party Congress. As can be seen from information received from various localities, and the reports made by units at this meeting, the work done in this regard has many salient features: One, the key points of the work are clear. Two, leaders have gone to the frontline to personally grasp the work. Three, typical experience gained at certain localities has been used to help promote the work throughout the area. [passage omitted]

**Jiang Zemin Meets Outstanding Welders 18 Aug**  
OW200525 Shanghai City Service in Mandarin  
2200 GMT 18 Aug 87

[Excerpt] Mayor Jiang Zemin said on 18 August: We should encourage the workers, particularly young workers, in Shanghai to establish the idea that one can make great accomplishment in any profession. We should make people take pride in working for the four modernizations. We should stop the current tendency among some young workers of unduly going after school diplomas and office jobs.

Jiang Zemin made these remarks on the morning of 18 August in the Shanghai Municipal Trade Union Council building as he cordially met with 14 winners of a Shanghai welding skill contest. [passage omitted]

### Central-South Region

**Guangdong, Hong Kong Agree on Refugee Problem**  
HK200534 Guangzhou Guangdong Provincial Service in  
Mandarin 0300 GMT 20 Aug 87

[Text] Yesterday afternoon, Guangdong Province and Hong Kong reached an identity of views on the nature of the problem of sending back refugees from Vietnam, originally resettled in China, who have blindly flocked to Hong Kong, and on methods of solving this problem. The first group will be sent back on 22 August. Afterward, they will be sent back in groups in an orderly way until all those originally resettled in China who have recently flocked into Hong Kong have been sent back.

According to our information, refugees from Vietnam who were originally resettled in China have mistakenly believed rumors and blindly flocked into Hong Kong during the past 2 months. The provincial departments concerned have taken positive measures to prevent this outflow of refugees. Many of them have returned to their original residences after finding out the truth about the rumors.

The provincial departments concerned have reiterated that fisherfolk are strictly forbidden to sell boats to the refugees, thereby providing them with a means for flocking into Hong Kong. Elements who illegally fabricate rumors and instigate or organize the outflow of refugees will be punished according to law. Refugees who are sent back will, as always, suffer no discrimination, and will be properly resettled at their original residences. At the same time, education and persuasion will be stepped up for them, to enable them to live with ease of mind.

### North Region

**Beijing Party Committee Secretary Meets Go Player**  
SK200425 Beijing BEIJING RIBAO in Chinese  
7 Aug 87 p 1

[Excerpt] Leading comrades of the municipal party committee and government, including Li Ximing, Chen Xitong, Xu Weicheng, Chen Haosu, and Wang Fixing, cordially met with Nie Weiping, a grade nine Go player from Beijing Municipality, yesterday afternoon. During the meeting, leading comrades announced the municipal government's decision to confer an honorable title of special grade model worker of Beijing Municipality on Nie Weiping.

Li Ximing held Nie Weiping's hands and warmly congratulated him on defeating the Japanese master Go player on eight occasions during the first and second Chinese-Japanese Go competitions and for his important contributions in developing our country's Go game. [passage omitted]

### Northeast Region

**Quan Shuren, Others Meet With Liaoning Coaches**  
SK200849 Shenyang LIAONING RIBAO in Chinese  
2 Aug 87 p 1

[Excerpt] On the afternoon of 1 August, leading comrades of the provincial party committee and the provin-



cial government, including Quan Shuren, Li Changchun, Shen Xianhui, Lin Sheng, and Li Xiping, paid a special visit to the provincial Physical Culture and Sports Technical College and held talks with coaches for the provincial athletes who have qualified to march to Yangcheng

to play in the finals of the Sixth National Sports Games. They encouraged the coaches to clearly understand the situation, overcome temporary difficulties, and strive to create outstanding achievements for all of the people in the province. [passage omitted]

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